

she does not pay income tax. Yes, she pays payroll taxes, but that does not count. I have a copy of her payroll stub. You know this is what we get every week or month, Mr. Speaker, and we look on here and we kind of get that empty feeling in our belly when we see how much taxes came out of it.

Yes, she pays income tax, but she also pays the payroll tax. And here is what she pays for her Medicare and her Social Security, the FICA tax, the payroll tax, that all employers and all working people in America pay.

Please do not tell her that she does not pay taxes. But because of the way the Republican plan is written, even though she has two children and pays \$1,150 a year in payroll taxes, even though she pays that level of taxes, she does not qualify under the Republican bill for a per child tax credit even though she has those two lovely children. She plays by the rules, she pays her taxes. Some reward, Mr. Speaker, for being a good American.

Let me show you another picture. This is another family that are constituents of mine. This is Judy and her two children. Her children are older. She is to the point now she better be thinking about college, and I know Judy well enough to know that she is. She makes approximately \$31,000 a year and she will qualify because of her income for the per child tax credit. But let us talk about the college aspect of it.

Under the Democratic plan she will be able to get \$1,500, when the full credit kicks in, per child per year for her children's college for the first 2 years. But under the Republican plan she will also get \$1,500 per child but it will be calculated differently. It will be calculated 50 percent of the first \$3,000 of tuition and expenses. It sounds the same; does it not? They are both going to get \$1,500. But it is not the same for Arkansas.

Pulaski Technical College in North Little Rock, the tuition is a thousand dollars, a little over a thousand dollars a year. For Foothills Technical Institute in White County, Arkansas, gods county, Mr. Speaker, if you are looking for a place to move, the total tuition per year is \$672 a year. You take 50 percent of that, if you go to Foothills Technical, you will get about \$350 tax credit, not the \$1,500.

It is just wrong under that Republican bill to tell folks if you go to an expensive school, you get the full \$1,500. If you choose to go to a 2-year community college or school like Foothills Technical Institute, you do not get the full credit even though your tuition is under \$1,500.

Judy works hard, she plays by the rules, she pays taxes; she does much better under the Democratic bill, not the Republican alternative.

And finally today, Mr. Speaker, I had these letters delivered to my office from farmers throughout Arkansas, my district, and they are concerned, every one of them, about the estate tax.

Every one of them is either handwritten or hand typed.

Folks say: Well, estate tax just favors the rich. If you are a small business person or a farmer, you are very concerned about that having to be broken up when you pass away. Under the Democratic plan the relief is immediate. Under the Republican plan the relief is delayed until the year 2007.

TAXPAYER RELIEF ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. MILLENDER-MCDONALD] is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise tonight to address one of the most important votes we will cast in the 105th Congress, and that is the tax cut bill. I strongly oppose the Taxpayer Relief Act which we will vote on tomorrow. I do so not because I am opposed to tax cuts. As a former chairwoman of revenue and taxation in the California State legislature, I am for tax cuts. But I am opposed to this relief bill which is not fair.

As the charts behind me demonstrate, the bulk of the tax relief is offered for the wealthiest taxpayers while the low and middle income taxpayers, the ones who live in California's 37th Congressional District, the district I represent, receive only nominal relief.

Mr. Speaker, 56 percent of the Republican tax cut plan will go to the wealthiest 5 percent of Americans, Americans who earn well over \$200,000. Under the Republican plan, taxpayers who earn \$26,900 to \$44,500 will receive only 17.3 percent of the tax cuts. Moreover, for the lowest income earners, those who earn \$6,600 to \$15,900, the Republican tax cut plan amounts to what is in effect a tax hike.

This is not tax relief, but rather a tax ripoff for millions of hard-working middle class and lower income earning citizens. To provide such a tremendous tax cut to the wealthiest citizens of this country and at the same time increase taxes on American citizens who are earning the lowest income and are in the most need of a tax relief does not make any sense.

The Republican tax bill further denies the \$500 child tax credit to 20 million working families who receive the earned income tax credit. This plan does not value their hard work even though their earnings place them at or barely above the rate of poverty, and this is earned income. They deserve the child tax credit as much as any other working family.

The Democratic alternative tax cut plan is the only real tax cut plan. It ensures that all Americans who receive tax relief receive tax relief and not just the wealthiest. Those middle class hard-working American citizens who need a tax cut, those who earn \$26,900 to \$44,500 will receive 58.4 percent of the tax relief under the Democratic

plan. In effect the Democratic alternative shifts the bulk of the tax relief from the top 5 percent to the middle 40 percent of all American taxpayers.

The Democratic alternative tax cut plan also provides an estimated \$37 billion in education tax credits, which is almost twice what is offered in the Republican plan. It includes \$5.7 billion in homeowner tax credits and important tax relief for small businesses, farmers, and for families with children.

I do urge my colleagues to think about the American people we were elected to serve, to think about the millions of hard-working parents, trying to provide more than the basic needs of food, shelter and clothing for their children, but also a quality education, a healthy and safe environment to grow up in, and most important of all, Mr. Speaker, a quality future.

We must represent the American people and vote for a real tax cut plan that will help all American families.

□ 1945

HISTORIC VOTE AGAINST OUR VETERANS

The SPEAKER pro tempore (Mr. TIAHRT). Under a previous order of the House, the gentleman from Mississippi [Mr. TAYLOR] is recognized for 5 minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, tomorrow in Congress Democrats and Republicans alike will vote for a tax reduction. They are going to give the wealthiest contributors a big tax break. They are going to give the smaller contributors a smaller tax break. But when it comes to those who in my opinion contributed the most to our country, not with their wallets, but with their lives and with their blood, they are going to get nothing at all.

I am talking about our Nation's veterans and in particular, our Nation's military retirees. Mr. Speaker, today, your Congress had the opportunity to fulfill the promise of free health care for life for our Nation's military retirees, a promise that has been broken, a promise that remains broken every day.

Mr. Speaker, out of this entire year-long legislative session, today was the only day, according to the Parliamentarian, that legislation to restore to our Nation's military retirees the health care benefits that they were promised could be brought to the floor for a vote, and today I tried to do just that.

I am pleased to tell my colleagues that every single Democratic Member of Congress voted to help our Nation's military retirees, every single one. I regret to inform my colleagues that every single Republican Member of Congress, let me repeat this; every single Republican Member of Congress voted against helping our Nation's military retirees, even though the bill that would have helped them was introduced by a Republican, the gentleman from Colorado [Mr. HEFLEY].